U.S. Natural Gas Exports
Economic, Environmental, and Geopolitical Benefits

- **America is now the world’s top producer of natural gas**, and opening the doors to trade will allow us to harness that power on the international stage while bringing home thousands of jobs and growing our economy.

- **The U.S. is in a global competition for investment in LNG export facilities to meet global demand.** In fact, there are dozens of LNG export projects currently planned or under construction in other nations.

- **And while the Department of Energy has granted final approval for several non-Free Trade Agreement export permits**, more than 30 applications remain pending.

- **Providing greater certainty in the LNG export permit regulatory process will help incentivize investment here in the United States.**

- **Now is the time to build our energy infrastructure, expand exports, and lock in the economic and geopolitical opportunities that our energy revolution has created.**

**Economic Benefits**

- **Allowing U.S. natural gas exports will grow the economy and create jobs right here at home.**

  - Department of Energy (DOE)-commissioned studies (2012 and 2015) found that increasing exports of natural gas would have positive economic benefits for our country.

  - Specifically, the 2012 report states:
    - “...the U.S. was projected to gain net economic benefits from allowing LNG exports. Moreover, for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased.”
Furthermore, the 2012 DOE-commissioned study indicated that any impact on domestic natural gas prices would be modest and remain within “a relatively narrow range across the entire range of scenarios.”

And the 2015 DOE-commissioned report reaffirmed these findings, stating:

- “The overall macroeconomic impacts of higher LNG exports are marginally positive, a result that is robust to alternative assumptions for the U.S. natural gas market.”

An ICF International study found that easing self-imposed restrictions on U.S. natural gas exports would, by 2035:

- Create up to 452,300 new American jobs; and
- Add up to $73.6 billion in economic activity.

And over half of all states could see over $1 billion in state income gains from LNG exports by 2035 and at least 6,000 new jobs.

In addition, the White House Council of Economic Advisors recently stated:

- “An increase in U.S. exports of natural gas, and the resulting price changes, would have a number of mostly beneficial effects on natural gas producers, employment, U.S. geopolitical security, and the environment.”

### Environmental Benefits

✔ LNG exports allow the U.S. to reduce emissions globally.

- According to Energy Secretary Moniz “…natural gas will play a crucial role in enabling very substantial reductions in carbon emissions.”

- A 2014 DOE study also found that exporting U.S. LNG will reduce global GHG emissions, because U.S. natural gas consumed in Europe or Asia has lower life cycle GHG emissions than power generation from locally sourced fossil fuels.

- Just as essential as its role in reducing carbon emissions, greater natural gas production and use lowers emissions of other air pollutants, such as mercury, sulfur dioxide, nitrogen oxide and particulate matter.
Geopolitical Benefits

✓ Increasing U.S. natural gas exports will introduce an alternative and reliable source of energy to the global marketplace, providing international consumers with greater choice and helping to curb the use of energy as a political weapon.

U.S. Shale Gas Revolution Continues to Impact Global Markets

- As a result of the boom in U.S. natural gas production, supplies originally intended for the United States were diverted elsewhere, increasing supplies to the world market and providing several European countries with additional leverage to renegotiate long-term contracts.

- And many allies abroad recognize the important role U.S. LNG exports will play to help diversify supplies of natural gas.

- For example, a recent Wall Street Journal article entitled “With U.S. Gas, Europe Seeks Escape From Russia’s Energy Grip” includes the following:
  
  o “‘Like shale gas was a game changer in the U.S., American gas exports could be a game changer for Europe,’ said Maros Sefcovic, the European Union’s energy chief.”

  o “Many in Europe see U.S. entry into the market as part of a broader effort to challenge Russian domination of energy supplies and prices in this part of the world. Moscow has for years used its giant energy reserves as a strategic tool to influence former satellite countries...”

  o “The shale boom has reshaped the world energy market over the past decade, with the U.S. emerging as a new energy exporter, and the beginning of gas exports represents a big moment in this new world.”
Fostering Global Competition, Wherever U.S. Natural Gas Is Shipped

- Allowing U.S. natural gas to compete in the global marketplace will increase global supplies and enhance competition, regardless of destination.

- In fact, on January 8, 2015, Amos Hochstein, Special Envoy and Coordinator for International Energy Affairs at the U.S. Department of State, stated the following at an Atlantic Council event:
  
  o “Now, where the gas will go doesn’t matter. The fact that we have approved exports of natural gas has already had an impact on Europe. And where the molecule actually ends up going, also doesn’t matter.”

  o “It’s going to go into the international market that will rationalize itself and it will therefore mean that a commodity that has different prices in different markets will start coming down and you’ll see some kind of a coalescing of the prices, as we saw when we stopped importing. Simply by the act of no longer importing the enormous amounts of natural gas/LNG we were importing, that already had an impact.”

  o “Once we start exporting, that will be the second. Because the first one was that all those natural gas molecules had to go somewhere. They were destined for the United States, and they became available on to the markets. Once our supplies come on the market, even though the first ones will go to India and Japan, it still frees up gas to go other places.”

- On April 28, 2016, Robin Dunnigan, Deputy Assistant Secretary for Energy Diplomacy at the U.S. State Department, said the following at an Atlantic Council forum:

  o “The U.S. will be a reliable, market-based supplier to global markets, and that’s not only good for our energy security, it’s good for the energy security of our partners and allies around the world. So I’m very much looking forward to U.S. LNG being part of the diversification solution in Europe and in other countries around the world.”

- And at the same event, Paula Gant, Department of Energy Principal Deputy Assistant Secretary added:

  o “I think it is important to distinguish between what is the demand for U.S. LNG, which is an economic matter, and what is the impact of the availability of U.S. LNG, which is a geopolitical matter. And before even the first of the seven cargos left Sabine Pass, the potential availability of U.S. LNG was already having a disruptive influence on the balance of power between producers and consumers...and we expect that disruptive influence to continue, and that is good for our energy security and that of our trading partners and allies globally.”
Notable Statements Welcoming U.S. LNG Exports

President Barack Obama, in a joint statement with European leaders at the EU-US Summit on March 26, 2014:

- “The situation in Ukraine proves the need to reinforce energy security in Europe and we are considering new collaborative efforts to achieve this goal. We welcome the prospect of U.S. LNG exports in the future since additional global supplies will benefit Europe and other strategic partners.”

Secretary of State John Kerry and Secretary of Energy Ernest Moniz, in a joint statement with European energy leaders at a meeting of the U.S.-EU Energy Council on May 4, 2016:

- “The Council welcomed the lifting of U.S. crude oil export restrictions in 2015 and the commencement of U.S. LNG exports from the Gulf Coast in 2016, as they are important milestones for global energy markets that can also help improve security of supply globally and in Europe.”

Secretary of Energy Ernest Moniz, in a joint statement with Energy Ministers at the G7 Kitakyushu Energy Ministerial Meeting on May 2, 2016:

- The expanding role and globalization of natural gas markets, for both pipeline and liquefied natural gas (LNG), bring new opportunities and challenges. We welcome Japan’s Strategy for LNG Market Development, the EU Strategy for LNG and gas storage, and LNG exports from North America and other sources.”

Bill Richardson, former Secretary of Energy under President Bill Clinton, and Spencer Abraham, former Secretary of Energy under President George W. Bush, on CNBC on May 14, 2014:

- “The president has full and unquestioned authority to approve energy exports by executive action without Congress. The Natural Gas Act says the Department of Energy makes the decision on export permit approvals, and the law presumes exports are in the public interest. The administration can and should move faster on approving export permits.”

General James L. Jones, former NATO Supreme Allied Commander of Europe and former National Security Advisor to President Obama, in remarks at an Atlantic Council event on March 31, 2014:

- “I believe that a focus on energy security can and must be a critical new element in the American strategic partnership in Central and Eastern Europe, and will benefit Poland, Europe as a whole, and the United States.”

- “The shale revolution in the United States has fundamentally transformed the global energy picture, as well as the debate concerning US energy policy.”

- “...I believe the United States should undo outdated regulations that prevent us from sharing our energy abundance with friendly countries. Doing so would benefit our allies, but also provide important economic and trade benefits to the United States.”